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FINANCIAL REPORT
OF THE
VILLAGE OF PINE PRAIRIE, LOUISIANA
FOR THE YEAR ENDED DECEMBER 31, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/3/1/

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# VIGE, TUJAGUE 🥯 NOEL

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

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#### **INDEPENDENT AUDITOR'S REPORT**

To the Board of Aldermen Village of Pine Prairie, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Pine Prairie, Louisiana, as of and for the year ended December 31, 2010, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village of Pine Prairie, Louisiana's, management. Our responsibility is to express opinions on these financial statements based on my audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund of the Village of Pine Prairie, Louisiana, as of December 31, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated June 23, 2011, on our consideration of the Village of Pine Prairie, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards, and should be considered in assessing the results of our audit.

The Village of Pine Prairie, Louisiana has not presented a management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Village of Pine Prairie, Louisiana's basic financial statements. The other supplementary information on pages 44-53 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Village of Pine Prairie, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Vige, Tujague & Noel
Eunice, Louisiana

June 23, 2011

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

# Statement of Net Assets December 31, 2010

	Governmental Activities	Business-Type Activities	Total
ASSETS:		<del></del>	<del></del>
Current Assets:			
Cash and Interest-Bearing Deposits	\$ 550,875	\$ 9,349	\$ 560,224
Receivables, net of \$3,965 allowance	117,228	8,379	125,607
Total Current Assets	668,103	17,728	685,831
Noncurrent Assets:			
Restricted Assets:			
Cash and Interest-Bearing Deposits	20,347	32,256	52,603
Capital Assets, Net (Note D)	2,039,255_	1,705,341	3,744,596
Total Noncurrent Assets	2,059,602	1,737,597	3,797,199
Total Assets	2,727,705	1,755,325	4,483,030
LIABILITIES:			
Current Liabilities:			
Accounts Payable	12,427	763	13,190
Payroll Taxes Payable	3,834	136	3,970
Accrued Interest Payable	-	658	658
Notes Payable	2,298	5,023	7,321
Bonds Payable	51,000	_	51,000
Total Current Liabilities	69,559	6,580	76,139
Noncurrent Liabilities;			
Customers' Deposits	•	18,980	18,980
Notes Payable	206,599	429,410	636,009
Bonds Payable	238,000	<u> </u>	238,000
Total Noncurrent Liabilities	444,599	448,390	892,989
Total Liabilities	514,158	454,970	969,128
NET ASSETS:			
Invested in Capital Assets, Net of			
Related Debt	1,541,358	1,270,908	2,812,266
Restricted For:			
Debt Service	21,854	13,064	34,918
Street Projects	391,935	-	391,935
Unrestricted	258,400	16,383	274,783
Total Net Assets	\$ 2.213,547	\$ 1,300,355	\$ 3,513,902

VILLAGE OF PINE PRAIRIE

Statement of Activities For the Year Ended December 31, 2010

	Î	Program Revenues	cvenues	Net (F	Net (Expense) Revenues and Changes in Net Assets	and
Exp	Expenses Char	rees, rines, and Charges for Services	Capital Grants and Contributions	Activities	Activities	Total
i,	304,490 \$	77,811	·	\$ (226,679)	· •	\$ (226,679)
_	170,323	116,018	•	(54,305)	1	(54,305)
72	263,799	1	410,891	147,092	•	147,092
	24,012	•	1	(24,012)	•	(24.012)
76	762,624	193,829	410,891	(157,904)		(157,904)
13	130.877	92,325	•	,	(38,552)	(38,552)
13	130,877	92,325		,	(38,552)	(38.552)
\$ 89.	893,501 \$	286,154	\$ 410,891	(157,904)	(38,552)	(196,456)
General Revenues:	snues:					
Taxes						
Ad Val	Ad Valorem Taxes			130,318	1	130,318
Sales Taxes,	axes.			165,403	•	165,403
Franchis	Franchise Taxes			48,405	•	48,405
Investment Earnings	Earnings			8,953	235	9,188
Miscellaneous	sno			54,239	•	54,239
Transfers				(11,000)	11,000	•
Total gene	ral revenues	Total general revenues and transfers		396,318	11,235	407,553
•	Change in net assets	et assets		238,414	(27,317)	211,097
Net assets-beginning	unning			ŀ	1,327,672	3,302,805
Net assets-ending	gui			\$ 2,213,547	\$ 1,300,355	\$ 3,513,902

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

Governmental Funds
Balance sheet
December 31, 2010

ASSETS	General	Special Revenue	Debt Service Fund	Total Governmental Funds
Current Assets:	<b>A</b> 157 400		Ф	m 550 055
Cash and Interest-Bearing Deposits	\$ 157,433	\$ 391,935	\$ 1,507	\$ 550,875
Ad Valorem Taxes Receivable	46,941	48,239	-	95,180
Franchise Tax Receivable	7,882	-	-	7,882
Sales Tax Receivable	-	13,099	-	13,099
Due from Other Funds		13,646		13,646
Total Current Assets	212,256	466,919	1,507	680,682
Restricted Assets:				
Community Center Reserve Fund	10,921	-	-	10,921
Community Center Sinking Fund	8,334	_	-	8,334
Community Center Contingency Fund	1,092	_	-	1,092
Total Restricted Assets	20,347		-	20,347
Total Assets	\$ 232,603	\$ 466,919	\$ 1,507	\$ 701,029
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	\$ 11,052	\$ 1,375	\$ -	\$ 12,427
Payroll Liabilities	2,473	1,361	-	3,834
Due to Other Funds	13,646	-	-	13,646
Total Liabilities	27,171	2,736		29,907
Fund Balances:			<del></del>	
Fund Balances:				
Restricted for:				
Debt Service	-	<u> </u>	1,507	1,507
Street Projects	-	464,183	-	464,183
Unassigned	205,432	_	-	205,432
Total Fund Balances	205,432	464,183	1,507	671,122
TOTAL LIABILITIES AND				
FUND BALANCES	\$ 232,603	\$ 466,919	\$ 1,507	\$ 701,029

# Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets December 31, 2010

Governmental funds fund balances at December 31, 2010	\$ 671,122
Total net assets reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	2,039,255
Long-term liabilities, including bonds payable, are not due and payable in	
the current period and therefore are not reported in the funds.	(497,897)
Accrued interest receivable at December 31, 2010	1,067
Net assets of governmental activities	 2,213,547

#### Governmental Funds

# Combined Statement Of Revenues, Expenditures, And Changes

# In Fund Balances

# For the Year Ended December 31, 2010

		General Fund		Special Revenue		Debt Service Fund	(Go	Total evernmental Funds)
Revenues:	æ	67 BOO	e	<b>60.400</b>	•		•	120 210
Taxes: Ad Valorem	\$	67,880	S	62,438	\$	-	\$	130,318
Franchise		48,405		-		-		48,405
Salcs		-		165,403		-		165,403
Licenses		38,714		-		-		38,714
Fines and Forfeits		116,018		-		-		116,018
Prison Fees		30,751		-		8,346		39,097
Miscellaneous & Grants		463,852		1,278				465,130
Total Revenues	-	765,620		229,119		8,346		1,003,085
Expenditures:								
Current:								
General Government		287,434		-		₩		287,434
Public Safety		153,436		<b>-</b>		-		153,436
Street Department		-		173,242		-		173,242
Capital Outlay		471,949		3,489		-		475,438
Debt Service		11,911		64,850				76,761
Total Expenditures:		924,730		241,581		<del></del>		1,166,311
Other Financing Sources / (Uscs)								
Hurricane Center Loan		5,415		-		-		5,415
Interest Income		4,244		3,427		215		7,886
Operating Transfers In		9,024		30,882		-		39,906
Operating Transfers Out	_	(20, 178)		-		(30,728)		(50,906)
Total Other Financing								
Sources/(Uses)		(1,495)		34,309		(30,513)		2,301
Net Change in Fund Balances		(160,605)		21,847		(22,167)		(160,925)
Fund Balance, Beginning Of Year		366,037		442,336		23,674		832,047
Fund Balance, End Of Year	\$	205,432	<u>\$</u>	464,183		1,507	<u>\$</u>	671,122

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds For the Year Ended December 31, 2010

Net change in fund balances-total governmental funds	\$ (160,925)
The change in net assets reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$475,489) exceeded depreciation (\$138,779) in the current year.	336,710
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	49,103
Borrowings on long-term debt are reported as revenues in the governmental funds, but is recorded as a liability in the statement of net assets	(5,415)
Differences between accrued interest receivable on modified accrual basis versus accrual basis	1067
Interest on long-term debt is recorded on the accrual basis in the statement of activities. However, interest is recorded on the modified accrual basis in the statement of revenues, expenditures, and changes in fund balances-governmental funds.	3,646
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This is the amount by which current year accrued expenses exceeded prior year accrued expenses.	14,228
Change in net assets of governmental activities	\$ 238,414

# PROPRIETARY FUND

# Proprietary Fund Comparative Statement of Net Assets December 31, 2010 and 2009

#### ASSETS:

AUDIO.	<u>2010</u>	2009		
Current Assets:	<del></del>			
Cash and Interest-Bearing Deposits	\$ 9,349	\$ 1,030		
Accounts Receivable, Net of Allowance for Uncollectible				
(2010, \$3,965; 2009, \$2,411)	8,379			
Total Current Assets	17,728	3,834		
Restricted Assets:				
Cash on Deposit for:				
Note Sinking Fund	5,858	5,791		
Note Reserve Fund	3,581	2,375		
Note Contingency Fund	3,625	2,418		
Customers' Deposits	19,192	22,516		
Total Restricted Assets	32,256	33,100		
Long-Term Assets:				
Fixed Assets, Net of Accumulated Depreciation				
(2010, \$554,233; 2009, \$495,097)	1,705,341	1,763,661		
Total Long-Term Assets	1,705,341	1,763,661		
TOTAL ASSETS	<u>\$ 1,755,325</u>	\$ 1,800,595		

(Continued)

# Proprietary Fund Comparative Statement of Net Assets (Continued) December 31, 2010 and 2009

#### LIABILITIES:

LIADIDITIES.	<u>2010</u>	2009
Current Liabilities:	2010	2009
Accounts Payable	\$ 763	S 2,683
Payroll Taxes Payable	136	5 2,063
Accrued Interest Payable	658	665
Notes Payable	5,023	4,814
Total Current Liabilities	6,580	8,229
Noncurrent Liabilities:		
Customers' Deposits	18,980	15,050
Notes Payable	429,410	434,434
Total Noncurrent Liabilities	448,390	449,484
Due to Other Funds:		
Due to Sales Tax Fund	_	6,257
Due to Debt Service	-	1,295
Due to General Fund	<u>-</u>	7,658
Total Due to Other Funds		15,210
Total Liabilities	454,970	472,923
NET ASSETS:		
Invested in capital assets, net of related debt	1,270,908	1,324,413
Restricted for:	•	
Debt Service	13,064	10,584
Unrestricted	16,383	(7,325)
Total Net Assets	\$ 1,300,355	\$ 1,327,672

Comparative Statement Of Revenues, Expenses, And Changes In Fund Net Assets Proprietary Fund For the Year Ended December 31, 2010 and 2009

	<u> 2010</u>	2009
Operating Revenues:		
Charges for Services—Sewer Fees	\$ 92,325	\$ 58,798
Miscellaneous	<u> </u>	513
Total Operating Revenues	92,325	59,311
Operating expenses:		
Bad Debt Expense	1,615	922
Dues & Fees	3,065	3,400
Depreciation Expense	59,135	59,146
Office Expense	1,461	3,369
Repairs and Maintenance	32,366	38,937
Salaries	2,426	7,694
Taxes	169	695
Miscellaneous	2,159	1,762
Utilities	9.914	9,635
Total operating expenses	112,310	125,560
Operating income (loss)	(19,985)	(66,249)
Non-operating revenues/(expenses):		
Interest Revenue	235	283
Interest Expense	(18,567)	(18,767)
Total non-operating revenues/(expenses)	(18,332)	(18,484)
Transfers in (outs):		
Operating Transfers In	11,000	20,722
Operating Transfer Out	<del>-</del>	
Total transfers in (out)	11,000	20,722
Change in net assets	(27,317)	(64,011)
Net Assets, BEGINNING OF YEAR	1,327,672	1,391,683
Net Assets, END OF YEAR	<u>S 1,300,355</u>	\$ 1,327,672

# Proprietary Fund

# Comparative Statement Of Cash Flows

For the Years Ended December 31, 2010 and 2009

	<u>2010</u>	2009
Cash flows from operating activities:	<del></del>	<del></del>
Receipts from customers	\$ 86,750	\$ 65,826
Payments to suppliers	(67,879)	(61,316)
Payments to employees	(2,356)	_ (7,694)
Net cash provided (used) by operating activities	16,515	(3,184)
Cash flows from noncapital financing activities:		
Cash received from other funds	11,000	20,722
Net cash provided by noncapital financing activities	11,000	20,722
Cash flows from capital and related financing activities:		
Note principal payments	(4,815)	(4,614)
Payments for plant and equipment	(815)	•
Increase/(Decrease) in customers' deposits payable	3,930	3,000
Net cash used for capital and related financing activities	(1,700)	(1,614)
Cash flows from investing activities:		
Interest received	235	283
Interest paid	(18,574)	(18,760)
Net cash used for investing activities	(18,339)	(18,477)
Net increase (decrease) in cash and cash equivalents	7,475	(2,553)
Cash and cash equivalent, beginning of year	34,130	36,683
Cash and cash equivalent, end of year	\$ 41,605	\$ 34,130

# Proprietary Fund

Comparative Statement Of Cash Flows (continued) For the Years Ended December 31, 2010 and 2009

	<u>2010</u>			<u> 2009</u>	
Reconciliation of operating loss to net cash					
provided by operating activities:					
Operating loss	\$	(19,985)	\$	(66,249)	
Adjustments to reconcile operating loss to					
net cash provided by/(used for) operating activities:					
Depreciation		59,135		59,146	
Changes in current assets and liabilities:					
(Increase)/Decrease in accounts receivable		(5,575)		4,123	
Increase/(Decrease) in accounts payable		(17,130)		(271)	
Increase/(Decrease) in payroll taxes payable		70		67	
Net cash provided (used) by operating activities	\$	16,515	<u>S</u>	_(3,184)	
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet: Cash and cash equivalents, beginning of year Cash—unrestricted Cash—restricted Total cash and cash equivalents, beginning of year	\$	1,030 33,100 34,130	\$	11,002 25,681 36,683	
Cash and cash equivalents, end of year					
Cash—unrestricted		9,349		1,030	
Cash—restricted		32,256		33,100	
Total cash and cash equivalents, end of year		41,605		34,130	
Net Increase (Decrease)	<u> </u>	7,475	<u>\$</u>	(2,553)	

# NOTES TO THE FINANCIAL STATEMENTS

#### VILLAGE OF PINE PRAIRIE, LOUISIANA

Notes to the Financial Statements
December 31, 2010

#### NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Pine Prairie was incorporated in 1959 under the provisions of the Lawrason Act. The Village operates under a Mayor-Board of Aldermen form of government.

The accounting and reporting practices of the Village of Pine Prairie conform to generally accepted accounting principles of the United States of America as applicable to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the industry audit guide, <u>Audits of State and Local Governmental Units</u>, published by the American Institute of Certified Public Accountants.

The following is a summary of certain significant accounting policies:

#### A. Financial reporting Entity

This report includes all funds which are controlled by or dependent on the Village executive and legislative branches (the Mayor and Board of Alderman). Control by or dependence on the Village was determined on the basis of financial accountability, budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility. The Village has no component units or fiduciary funds.

#### B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net assets and statement of activities display information about the Village of Pine Prairie, the primary government, as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the Village and for each function of the Village's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a

particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

#### Fund Financial Statements

The accounts of the Village of Pine Prairie are organized on the basis of funds each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses as appropriate.

Government resources are allocated to and accounted for in individual funds based upon the purposes for which spending activities are controlled. The various funds are grouped in the financial statements in this report, into four generic fund types and two broad fund categories. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined

The major funds of the Village are described below:

#### Governmental Funds -

#### General Fund

The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Additionally, the Village reports the following fund types:

Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

**Proprietary Fund** 

Enterprise Fund

The Enterprise Fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis to be financed or recovered primarily through user charges; or (b) where the governing body has decided the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The Village of Pine Prairie's enterprise fund is the utility fund. It accounts for the provision of water, gas, and sewer services to residents of the Village.

Proprietary funds are reported in accordance with GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and other Governmental Entities that use Proprietary Fund Accounting. This standard requires that all applicable GASB pronouncements, Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) issued on or before November 30, 1989 be applied to proprietary activities unless they (FASB Statements and Interpretations, ARB Opinions, and ARBs) conflict with or contradict GASB pronouncements.

GASB Statement No. 20 also states that for proprietary activities management may elect to apply all FASB Statement and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements. Proprietary activities under control of the City will not elect to apply FASB Statements and Interpretations issued after November 30, 1989, unless they are adopted by GASB.

#### C. Measurement Focus/Basis of Accounting

Measurement focus is term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

#### Measurement Focus

On the government-wide statement of net assets and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets

#### Basis of Accounting

In the government-wide statement of net assets and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when camed and expenses are recorded when the liability is incurred or economic asset used.

Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Sales taxes are considered "measurable" when collected by the collection agency and are recognized as

revenue at that time. Ad valorem taxes are recognized as revenue in the year in which they are billed. Fees and non tax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Available means collectible within the current period or soon enough thereafter to pay current liabilities, usually 60 days.

Those revenues susceptible to accrual are property taxes, grant revenues and interest revenue.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except that accumulated unpaid vacation and sick pay are not accrued and principal and interest on general long-term debt are recognized when due. Purchases of various operating supplies are regarded as expenditures at the time purchased.

The proprietary fund is accounted for using the accrual basis of accounting, whereby revenues are recognized when they are earned and expenses are recognized when incurred.

Bad debts are written off when accounts became worthless.

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses). These transactions are recorded when the transfers occur.

#### Program revenues

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the Village's taxpayers or citizenry, as a whole, program revenues reduce the cost of the function to be financed from the Village's general revenues.

#### Allocation of indirect expenses

The Village reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions, but are reported separately in the Statement of Activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

#### D. Assets, Liabilities, and Equity

#### Cash and Cash Equivalents

Cash includes amounts in demand deposit, interest bearing demand, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less when purchased. Under state law, the municipality may deposit funds in demand deposits, interest bearing demand deposits, or time deposits with state banks organized under Louisiana law, or any other state of the United States, or under the laws of the United States.

#### Receivables:

In the government-wide statements, receivables consist of all revenue earned at year-end and not yet received. In the fund financial statements, receivables include accruals for revenues which are measurable and available. Major receivable balances for the Villages' governmental activities reported in both the government-wide and the fund financial statements include sales taxes and ad valorem taxes. Proprietary fund material receivables consist of all revenues carned at year-end and not yet received. Sewer utility accounts receivable compose the majority of proprietary fund receivables.

#### Interfund Receivables and Payables:

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets. See Note G for details of interfund transactions, including receivables and payables at year-end.

#### Fixed Assets:

The accounting treatment of property, plant, and equipment (fixed assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

#### Government-Wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation. Estimated historical cost of \$390,957 was used to value the majority of the assets acquired prior to January 1, 1988. The Village maintains a threshold level of \$500 or more for capitalizing capital assets.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Equipment	5-10 years
Improvements	20 years
Buildings	40 years
. Sewerage Disposal Plant	40 years

#### Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

#### Restricted Assets:

Restricted assets include cash and interest-bearing deposits of the debt service and proprietary funds. The primary restricted assets are related to bonds/note repayment, sewer utility meter deposits, and sewer plant remediation monies.

#### Long-Term Debt:

The accounting treatment of long-term debt depends on whether the liabilities are reported in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes and bonds payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures. The accounting for proprietary funds is the same in the fund financial statements as it is in the government-wide statements.

#### **Equity Classifications:**

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets Consist of net assets with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspenable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance. This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the village council – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the village council removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance. This classification reflects the amounts constrained by the village's "intent" to be used for specific purposes but are neither restricted nor committed. The village

council and village manager have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the village's policy to use externally restricted resources first, the unrestricted resources – committed, assigned, and unassigned – in order as needed.

Proprietary fund equity is classified the same as in the government-wide statements.

#### E. Revenues, Expenditures, and Expenses

#### Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of March 16 of each year. Taxes are levied by the Village in September or October and are actually billed to the taxpayers in November. Billed taxes become delinquent on March 16 of the following year. Revenues from ad valorem taxes are recorded in the year billed.

The Village bills and collects its own property taxes using the assessed values determined by the tax assessor of Evangeline Parish.

#### Sales Taxes

Proceeds of the two percent (2%) sales and use tax are dedicated to the following purposes:

After paying the necessary cost of collection and administration, for the purpose of construction, maintenance, and repairs of all public streets and roadways within the Village of Pine Prairie.

The two percent (2%) sales tax is in effect for a period of twenty years, beginning January I, 1998 and ending December 31, 2017.

#### Operating (Non-operating) Revenues and Expenses

Operating (Nonoperating) Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds – By Character: Proprietary Fund – By Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

#### Interfund Transfers

Permanent reallocation of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

#### F. Budget and Budgetary Accounting

The Village follows these procedures in establishing the budgetary data reflected in these financial statements:

- 1. The Village Clerk prepares a proposed budget and submits same to Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
- 2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- 3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.

- 4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is being adopted.
- 5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
- 6. All budgetary appropriations lapse at the end of each fiscal year.
- 7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles of the United States of America. Budgeted amounts are as originally adopted or as amended from time to time by the Board of Aldermen. The budget was amended prior to the fiscal year and December 31, 2010.

#### G. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

#### H. Comparative Data

Comparative data for the prior year is presented for the year ended December 31, 2009. All data for the current year is presented for the year ended December 31, 2010.

#### NOTE B-STATEMENT OF CASH FLOWS

The statement of cash flows included in the accompanying component unit financial statements presents cash and cash equivalents at the beginning and end of the period. Cash equivalents are defined as short-term, highly liquid investments that are both:

- a. Readily convertible to known amounts of cash.
- b. So near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

The statement of cash flows focuses on cash receipts and cash payments resulting from operating, non capital financing, capital and related financing, or investing activities.

Operating activities generally result from providing services and producing and delivering goods, and include all transactions and other events that are not defined as investing activities. Cash flows from operating activities generally are the cash effects of transactions and other events that enter into the determination of operating income.

Non capital financing activities include borrowing money for purposes other than to acquire, construct, or improve capital assets and repaying those amounts borrowed, including interest.

This category includes proceeds from all borrowings (such as revenue anticipation notes) not clearly attributable to acquisition, construction or improvement of capital assets, regardless of the form of the borrowing. Also, included are certain other interfund and intergovernmental receipts and payments.

Capital and related financing activities include (a) acquiring and disposing of capital assets used in providing services or producing goods, (b) borrowing money for acquiring, constructing, or improving capital assets and repaying the amounts borrowed, including interest, and (c) paying for capital assets obtained from vendors on credit.

Investing activities include making and collecting loans and acquiring and disposing of debt or equity instruments.

#### NOTE C-AD VALOREM TAXES

For the twelve months ended December 31, 2010, the 2010 tax roll taxes of 23.34 mills were levied on property with assessed valuations totaling \$5,267,610 and were dedicated as follows:

General Corporate Purposes	6.59 Mills
Street Maintenance	6.89 Mills
Street Construction	4.93 Mills
Police Protection	1.97 Mills
Recreation	2.96 Mills
Total	23.34

Total taxes levied were \$122,946.

# NOTE D - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2010, is as follows:

	Balance			Balance	
	12/31/2009	Additions	Retirements	12/31/2010	
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 83,732	5 -	\$ -	\$ 83,732	
Capital assets being depreciated:					
Machinery and Equipment	489,895	8,015	-	497,910	
Improvements	2,208,211	33,372	-	2,241,583	
Buildings	641,846	434,102		1.075,948	
Total capital assets:	3,423,684	475,489		3.899,173	
Less accumulated depreciation:					
Machinery and Equipment	(360,265)	(36,781)	-	(397,046)	
Improvements	(1,234,085)	(90,866)	-	(1,324,951)	
Buildings	(126,789)	(11,132)	<del>_</del>	(137,921)	
Total accumulated depreciation	(1,721,139)	(138,779)		(1,859,918)	
Governmental activities capital assets, net	<u>\$1,702,545</u>	\$ 336,710		\$2,039,255	
Business type activities:					
Capital assets not being depreciated:					
Land	\$ 121,125	\$ -	\$ -	\$ 121,125	
Capital assets being depreciated:					
Machinery and Equipment	2,137,633	<u>815</u>		2,138,448	
Total capital assets	2.258,758	815		2,259,573	
Less accumulated depreciation:					
Machinery and Equipment	(495,097)	(59,135)	_	(554,232)	
Total accumulated depreciation	(495,097)	(59,135)		(554,232)	
Business type activities capital assets, net	\$1,763,661	\$ (58.320)	<u>\$</u>	\$1,705,341	

Depreciation expense was charged to functions as follows:

Governmental activities:

General government	\$ 19,599
Public safety (Police)	16,887
Recreation	11,736
Streets	90,557
Total governmental activities	138.779
Business-type activities:	
Sewer utility	59,135
Total business-type activities	59,135
Total depreciation expense	\$ 197,914

#### NOTE E -LONG-TERM LIABILITIES

#### **Long-Term Liability Activity:**

Long-term liability activity for the year ended December 31, 2010, was as follows:

	Balance 12/31/2009	Additions	Retirements	Balance 12/31/2010
Governmental Activities:	<del></del>			
Bonds Payable:	<u>\$ 541,</u> 585	\$ 5.415	\$ 49,103	\$ 497,897
Total Governmental Activities:	541,585	5,415	49,103	497,897
Business-Type Activities:				
Notes Payable	439,248		4,815	434,433
Total Business-Type Activities:	439,248	-	4,815	434,433
Total Government	\$ 980.833	\$ 5,415	\$ 53,918	S 932,330

#### Description of Debt:

#### Governmental Activities:

<u>Debt Service Fund</u> – The Village issued \$742,000 Revenue Bonds, Series 2002 in January 2003 for the purpose of constructing and repairing public streets and roadways in the Village. The bonds bear interest at the rate of 5% per annum and mature over a period of fifteen years. Interest payments are due semi-annually on June 1 and December 1. Principal payments are due annually on December 1.

### VILLAGE OF PINE PRAIRIE NOTES TO FINANCIAL STATEMENTS, CONT'D.

Debt service requirements to maturity are as follows:

	Principal			I	nterest
Year Ended	<u>A</u>	<u>Amounts</u>		<u>A</u>	mounts
12/31/2011	\$	51,000		\$	14,238
12/31/2012		53,000			11,679
12/31/2013		56,000			9,017
12/31/2014		59,000			6,204
12/31/2015		62,000			3,242
12/31/2016		8,000	_		367
Total	\$	289,000	_	\$	44,747

The bonds are secured by and payable solely from the pledge and dedication of the excess of annual revenues of the Village and the proceeds of the Village's two percent (2%) sales tax.

The Village started drawing on a \$210,000, 40 year, 4.125% interest note for the purpose of constructing a hurricane evacuation/community center in 2009. The first payment on the note will be interest only on June 28, 2010, with the remainder being \$906.00 per month including principal and interest starting on July 28, 2010, and maturing on June 28, 2049.

Debt service requirements to maturity are estimated to be as follows:

	Principal	Interest
Year Ended	<u>Amounts</u>	<u>Amounts</u>
12/31/2011	2,298	8,573
12/31/2012	2,395	8,477
12/31/2013	2,496	8,376
12/31/2014	2,601	8,271
12/31/2015	2,710	8,162
12/31/16-12/31/20	15,359	39,001
12/31/21-12/31/25	18,872	35,488
12/31/26-12/31/30	23,184	31,176
12/31/31-12/31/35	28,485	25,875
12/31/36-12/31/40	34,997	19,363
12/31/41-12/31/45	42,998	11,362
12/31/46-03/31/49	32,502	2,244
	\$ 208,897	\$ 206,368

### VILLAGE OF PINE PRAIRIE NOTES TO FINANCIAL STATEMENTS, CONT'D.

Enterprise Fund - The Village borrowed \$445,000 on a USDA Rural Development note for the construction of a new sewer plant. The note is a 40 year, four and one-quarter percent note with the first payment being interest only on the first anniversary of the note, and then monthly payments with interest beginning the following month.

Estimated debt service requirements to maturity are as follows:

	Principal	Interest
Year Ending	<u>Amounts</u>	<u>Amounts</u>
2011	\$ 5,023	\$ 18,366
2012	5,241	18,149
2013	5,468	17,922
2014	5,705	17,685
2015	5,963	17,427
2016-2020	33,923	83,023
2021-2025	42,008	74,938
2026-2030	52,024	64,922
2031-2035	64,430	52,516
2036-2040	79,803	37,143
2041-2045	98,847	18,099
2046-2047	35,998	2,191
Total	S 434,433	\$ 422,381

### NOTE F - COLLATERALIZATION OF CASH

	Interest	Non-interest
	<b>Bearing</b>	<b>Bearing</b>
Bank Balances at December 31, 2010		
Citizens Bank	\$ 423,693	\$ 102,288
Guaranty Bank	238,602	-
Less Amount Insured by FDIC	(488,602)	(250,000)
	173,693	(147,712)
Less Amount Collateralized with Securities		
Pledged in the Village's Name	(812,556)	
(Over)/Under Collateralized Bank Balances		
at December 31, 2010	\$ (638,863)	\$ (147,712)

The Village's cash was adequately collateralized at December 31, 2010.

### VILLAGE OF PINE PRAIRIE NOTES TO FINANCIAL STATEMENTS, CONT'D.

### NOTE G – INTERFUND RECEIVABLES, PAYABLES

	Interfund Receivables		Interfund <u>Payables</u>	
General Fund	<u>IRCCCIVA</u>	0103	<u> </u>	n A diffice
Due to Street Maintenance	\$	-	\$	7,956
Due to Street Construction		-		5,690
Special Revenue Funds				
Street Maintenance Fund				
Due from General Fund	7,	,956		-
Street Construction Fund				
Due from General Fund	5.	.690_		
TOTALS	<u>\$</u> 13.	646	\$	13,646

### NOTE II – COMPENSATION OF MAYOR AND BOARD OF ALDERMEN

A schedule of compensation paid to the Mayor and Board of Aldermen is as follows:

	<u>Salary</u>			xpenses
Terry Savant (Mayor)	\$	12,000	S	3,900
Quint West		3,000		2,400
Tammy Hammond		3,000		2,400
Debbie Ogé		3,000		2,400
Total	\$	21,000	\$	11,100

### NOTE I—MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM OF LOUISIANA (SYSTEM)

Plan Description- All full-time police department employees engaged in law enforcement are eligible to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% of their final-average salary for each year of creditable service. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, (225) 929-7411.

# VILLAGE OF PINE PRAIRIE NOTES TO FINANCIAL STATEMENTS, CONT'D.

<u>Funding Policy</u>- Plan members are required by state statute to contribute 7.5% of their annual covered salary and the Village is required to contribute at an actuarially determined rate. The rate for the first six months of 2010 was 11.0 % of covered payroll. The current rate is 25.0% of annual covered payroll. The contribution requirements of plan members and the Village are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Village's contributions to the System for the year ending December 31, 2010, were \$9,937, equal to the required contributions for that year, on covered payroll of \$59,920.

# NOTE J-MUNICIPAL EMPLOYEE'S RETIREMENT SYSTEM OF LOUISIANA (SYSTEM)

Eligible employees of the Village participate in the Municipal Employee's Retirement System, which is a cost-sharing, multiple-employer defined benefit public employee retirement system. The plan is controlled and administered by a separate board of trustees. Pertinent information relative to the plan follows:

<u>Plan Description</u> - The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All electing employees of the municipality are members of Plan B:

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2% of their final-average monthly salary in excess of \$100 for ear year of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 62, unless he has at least 30 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100% of final-average salary. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The system issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees' Retirement System, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809.

# VILLAGE OF PINE PRAIRIE NOTES TO FINANCIAL STATEMENTS, CONT'D.

Funding Policy – Under Plan B, members are required by state to contribute 5.0% of their annual covered salary and the Village is required to contribute at an actuarially determined rate. The current rate is 6.75%. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Village are established and may be amended by the state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Village's contributions to the System under Plan B for the year ending December 31, 2010 was \$6,695, equal to the required contributions for the year, on covered wages of \$99,187.

### NOTE K-DELINQUENT AUDIT REPORT

The Village's bonds with USDA require the audit report to be submitted by March 31 of the year following the year being audited. The audit report was not submitted by this time.

### NOTE L-STATE GRANTS

The Village received \$243,076 in grants from the Louisiana State Division of Administration, through Facility Planning Control, for construction of the hurricane evacuation shelter.

### NOTE M – SUBSEQUENT EVENTS

The Village has evaluated subsequent events through June 23, 2011, the date which the financial statements were available to be issued.

### OTHER REQUIRED SUPPLEMENTARY INFORMATION

General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2010

								Budget 'ariance
	Budget					P	ositive/	
		<u> Priginal</u>		Final	4	<u>Actual</u>	<u>(N</u>	egative)
Revenues:								
Taxes: Ad valorem	S	40,526	\$	60,430	\$	67,880	\$	7,450
Franchise		49,000		47,000		48,405		1,405
Licenses		33,000		38,000		38,714		714
Fines and Forfeits		71,000		105,000		116,018		11,018
Prison Fees		134,500		34,000		30,751		(3,249)
Miscellaneous & Grants		3,400		453,582		463,852		10,270
Total Revenues	_	331,426		738,012		765,620		27,608
Expenditures:								
Current:								
General Government		268,043		301,443		287,434		14,009
Public Safety		157,141		161,535		153,436		8.099
Capital Outlay		15,000		451,300		471,949		(20,649)
Debt Service		24,000		12,000		11,911		89
Total Expenditures:		464,184		926,278		924,730		1,548
Other Financing Sources / (Uses)								
Hurricane Center Loan		-		-		5,415		5,415
Interest Income		100		100		4,244		4,144
Operating Transfers In		29,000		9,000		9,024		24
Operating Transfers Out		(98,500)		(21,000)		(20,178)		822
Total Other Financing Sources/(Uses)		(69,400)		(11,900)		(1,495)	_	10,405
Net change in fund balances	<u>\$</u> (	(132,758)	\$ (	(200,166)	(	160,605)		39,561
Fund Balance, Beginning Of Year						366,037		
Fund Balance, End Of Year					_\$	205,432		

Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2010

				Budget Variance
	Buc	dget		Variance Positive/
	Original	Final	Actual	(Negative)
Revenues:				
Taxes: Ad Valorem	\$ 42,746	\$ 62,004	\$ 62,438	\$ 434
Sales	170,000	156,000	165,403	9,403
Miscellaneous			1,278	1,278
Total Revenues	212,746	218,004	229,119	11,115
Expenditures:				
Current:				
Street Department	230,443	223,125	173,242	49,883
Debt Service	66,000	66,000	64,850	1,150
Capital Outlay	<u>75,256</u>	81,521	3,489	78,032
Total Expenditures:	371,699	370,646	241,581	129,065
Other Financing Sources / (Uses)				
Interest Income	-	-	3,427	3,427
Operating Transfers In	34,500	-	30,882	30,382
Operating Transfers Out				· •
Total Other Financing Sources/(Uses)	34,500		34,309	34,309
Net Change in Fund Balances	\$ (124,453)	\$ (152,642)	21,847	\$ 174,489
Fund Balance, Beginning Of Year			442,336	
Fund Balance, End Of Year			\$ 464,183	

### OTHER SUPPLEMENTARY INFORMATION

### SPECIAL REVENUE FUNDS

Street Maintenance Fund:

To account for the receipt and use of proceeds of the Village's 7.00 mill tax on all property subject to state taxation in the Village. The expenditures are for the purpose of maintaining streets in the Village.

Street Construction Fund:

To account for the receipt and use of proceeds of the Village's 5.00 mill tax on all property subject to state taxation in the Village. The expenditures are for the purpose of constructing streets in the Village.

Sales Tax Fund:

To account for the receipt and use of the Village's 2% sales and use tax. These taxes are dedicated for, after paying the necessary cost of collection and administration, the hard surfacing and resealing and maintaining of roads in the Village, and for the payment of bonds or other funded indebtedness of said Village incurred for said purposes.

Trees for the Village Fund:

To account for the receipt and use of proceeds of the Village's grant and donations for a Village Beautification Project.

Special Revenue Funds Combining Balance Sheet December 31, 2010

						Tre	ces		
	5	Street	;	Street	Sales	for	the		
		ntenance	Cor	struction	Tax	Vi]	lage		
	<u>Ta</u>	x Fund	Ta	x Fund	<u>Fund</u>	<u>Fu</u>	<u>ınd</u>		<u>Totals</u>
ASSET'S:									
Cash and Interest-Bearing Deposits	\$	41,485	\$	82,705	\$ 267,745	5 \$	-	\$	391,935
Ad Valorem Taxes Receivable		28,117		20,122		-	-		48,239
Sales Tax Receivable		-		-	13,099	)	~		13,099
Due from General Fund		7,956		5,690					13,646
Total Assets	=	77,558		108,517	\$ 280,844	\$		\$	466,919
LIABILITIES AND FUND									
BALANCES:									
Liabilities:									
Accounts Payable	\$	1,375	\$	-	\$	- \$	-	\$	1,375
Payroll Liabilities		-		-	1,361		-		1,361
Due to Sales Tax Fund		=		-		-	-		-
Due to Street Construction Fund						<u> </u>			
Total Liabilities		1,375			1,361				2,736
Fund Balances:									
Restricted for:									
Street Projects		76,183		108,517	279,483	1	-		464,183
Unassigned						<u></u>			
Total Fund Balances		76,183		108,517	279,483	<del></del>			464,183
Total Liabilities and Fund Balances	_\$	77,558		108,517	\$ 280,844	<u> </u>		_\$_	466,919

# Special Revenue Funds Combining Statement Of Revenues, Expenditures, And Changes In Fund Balances For the Year Ended December 31, 2010

						Tr	ecs	
	5	Street		Street	Sales	for	the	
	Mai	ntenance	Cor	struction	Tax	Vil	lage	
	<u>Ta</u>	x Fund	<u>T</u> :	x Fund	<u>Fund</u>	<u>F</u> t	ınd	<u>Totals</u>
Revenue:								
Tax: Sales	\$	-	\$	-	\$ 165,403	. \$	-	\$ 165,403
Ad valorem		36,396		26,042	-		-	62,438
Miscellaneous		708			570			1,278
Total Revenues		37,104		26,042	165,973			229,119
Expenditures:								
Current:								
Street Department		21,921		165	150,842		314	173,242
Capital Outlay .		-		-	3,489		-	3,489
Debt Service					64,850			64,850
Total Expenditures		21,921		165	219,181		314	241,581
Other Financing Sources/(Uses)								
Interest Income		-		599	2,828		-	3,427
Operating Transfer In		<u> </u>			30,882			30,882
Total Other Financing Sources/(Uses)		<del></del>		599	33,710		<u>-</u>	34,309
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER								
EXPENDITURES AND OTHER								
FINANCING SOURCES/(USES)		15,183		26,476	(19,498)		(314)	21,847
FUND BALANCE, BEGINNING OF YEAR		61,000		82,041	298,981		314	442,336
FUND BALANCE, END OF YEAR	_\$	76,183		108,517	\$ 279,483	\$_	<u></u> :	\$ 464,183

### VIGE, TUJAGUE 🥯 NOEL

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

151 N. 2№ STREET P. O. BOX 1006 EUNICE, LOUISIANA 70535

SHIRLEY VIGE, JR., C.P.A. FRANK G. TUJAGUE, C.P.A. DOMINIQUE M. NOEL, C.P.A. TELEPHONE: 337-457-9324 FAX: 337-457-8743

# Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

To the Board of Aldermen Village of Pine Prairie, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Village of Pine Prairie, Louisiana (Village) as of and for the year ended December 31, 2010, which collectively comprise the Village's basic financial statements and have issued my report thereon dated June 23, 2011. We conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and responses as

items #2010-1 and #2010-2, that we consider to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Pine Prairie, Louisiana's, financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2010-2.

The Village's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the Village's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Mayor and Board of Alderman, others within the entity, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Vige, Tujague & Noel
Eunice, Louisiana

June 23, 2011

### VILLAGE OF PINE PRAIRIE SCHEDULE OF FINDINGS AND RESPONSES For the Year Ended December 31, 2010

We have audited the basic financial statements of the Village of Pine Prairie, Louisiana as of and for the year ended December 31, 2010, and have issued our report thereon dated June 23, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2010, rest

### Sec

resulted in a	n unqualified (	opinion.					
Section I. S	ummary of A	uditor's Reports					
a. Report on Internal Control over Financial Reporting and on Compliance and other mat material to the Financial Statements							
		trol Weaknesses Yes <u>X</u> No ant Deficiencies <u>X</u> Yes No					
	Compliance Standards	and other Matters Required to be Reported Under Government Auditing $\underline{X}$ Yes $\underline{\hspace{1cm}}$ No					
Section II.	Financial Sta	tement Findings.					
2010-1. Ina	dequate Segr	egation of Duties					
Finding:		The segregation of duties is inadequate to provide effective internal control.					
Cause: The condition is due to economic and space limitations.							
Recommend	ation:	No action is recommended.					
Response:		We concur to the recommendation.					
2010-2. Del	inquent Audi	t Report					
Finding:		The Village did not submit its audit report to USDA by March 31, 2011.					
Cause: The Village's personnel lacks training in implementation of generally accounting principles and financial statement preparation, including notes financial statements, therefore the Village must rely on its CPA to preparation financial statements. This results in the audit report not being filed with in the required time period.							
Recommend	ation:	Management should request an extension of time to file this report in the future.					
Response:		Management will request an extension of time to file this report in the future.					
C4: III	N/	4 T attan					

### Section III. Management Letter

None Issued.

### VILLAGE OF PINE PRAIRIE SCHEDULE OF PRIOR YEAR FINDINGS

For the Year Ended December 31, 2010

## SECTION I. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

### 2009-1. Inadequate Segregation of Duties

Finding:

The segregation of duties is inadequate to provide effective internal control.

Cause:

The condition is due to economic and space limitations.

Recommendation:

No action is recommended.

Response:

We concur in the recommendation.

Status:

This finding is repeated.

### 2009-2. Reporting Deficiency

Finding:

The Village's staff responsible for the accounting and reporting function lacks the skills and knowledge to apply generally accepted accounting principles in recording the organization's financial transactions or preparing its financial statements.

Cause:

The organization's personnel lacks training in implementation of generally

accepted accounting principles.

Recommendation:

The Village should hire an outside consulting CPA to record the financial transactions and prepare the financial statements in accordance with generally

accepted accounting principles.

Response:

Management concurs with the recommendation.

Status:

This finding is cleared.

### 2009-3. Delinquent Audit Report

Finding:

The Village did not submit its audit report to USDA by March 31, 2010.

Cause:

The Village's personnel lacks training in implementation of generally accepted accounting principles and financial statement preparation, including notes to the financial statements, therefore the Village must rely on its CPA to prepare the financial statements. This results in the audit report not being filed with USDA

in the required time period.

Recommendation:

Management should request an extension of time to file this report in the future.

Response:

Management will request an extension of time to file this report in the future.

Status:

This finding is repeated.

### Section III. Management Letter

None Issued.

### VILLAGE OF PINE PRAIRIE SCHEDULE OF INSURANCE December 31, 2010

		EXPIRATION
<u> TYPE</u>	<u>AMOUNT</u>	<u>DATE</u>
Automobile Liability	\$ 500,000	5/1/2013
Commercial General Liability	500,000	5/1/2013
Law Enforcement Officer's		
Comprehensive Liability	500,000	5/1/2013
Public Officials' Errors and Omissions		
Liability	500,000	5/1/2013
Worker's Compensation	500,000	1/1/2011
Commercial Property		
Building & Contents	3,084,900	8/28/2011
Equipment	2,025,000	8/28/2011
Fidelity Bond - Public Employees	100,000	5/16/2011
Honesty Bond	2,500	10/28/2012
Vehicle Physical Damage	150,695	6/15/2011

# VILLAGE OF PINE PRAIRIE SCHEDULE OF METERS AND RATES AND ACCOUNTS RECEIVABLE December 31, 2010

Accounts Receivables were aged as follows:

0 – 30 days	\$ 7,533
31 – 60 days	846
Over 60 days	3,965
	\$ 12,344

The Village's monthly sewer rates at December 31, 2010 were as follows:

Residential users: \$12.00 for the first 2000 gallons of water

used and \$2.40 for every 1000 gallons used

thereaster.

Commercial users: \$108.00 for the first 100,000 gallons of water

used and \$.61 for each 1000 gallons used

thereafter.

Schools: \$47.25 for the fist 100,000 gallons of water

used and \$.61 for each 1000 gallons used

thereafter.

As of December 31, 2010, the Village had 409 residential customers and 2 commercial customers and 2 school customers on its sewer system.

### VILLAGE OF PINE PRAIRIE SCHEDULE OF MAYOR AND ALDERMEN December 31, 2010

### Current officials of the Village are as follows:

Name	<u>Position</u>	<u>Term</u>
Terry Lee Savant	Mayor	1/1/09 – 12/31/13
Tammy Hammond	Council Member	1/1/09 - 12/31/13
Debbie Oge	Council Member	1/1/09 - 12/31/13
Quint West	Council Member	1/1/09 - 12/31/13

VIGE, TUJAGUE & NOEL, CPA'S P. O. BOX 1005 **EUNICE, LA 70535** 

RE: Management Response

The following are our responses to your recommendations we received in the Village's Audited Financial Statement as of December 31, 2010.

2010-1 Segregation of Duties

We are aware of and have evaluated this inadequacy and concluded that the related costs vs benefits to be achieved does not justify the additional personnel it would require to establish an adequate segregation of duties. However, we will my to segregate duties as mush as possible with the existing staff.

2010-2 Delinquent Audit Report

Management will request an extension of time to file this report in the future.